2007–2008

Saskatchewan

Provincial Budget

Performance Plan

Saskatchewan Northern Affairs

Minister's Message

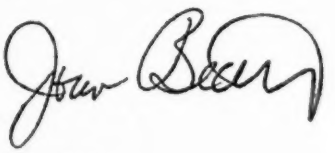
These are exciting times for all of us living in northern Saskatchewan and for those that have looked to the North as an engine of growth. Strong prices for the Province's non-renewable resources have resulted in unprecedented interest and investment in exploration and development. Key government investments in northern infrastructure, such as roads and telecommunications, are also enabling significant opportunities for business development and employment growth in the North.

This Performance Plan outlines the measures the Department is taking to help position northerners to take maximum advantage of these opportunities and make these opportunities known to the rest of the Province and beyond. This is the first Performance Plan that reflects the Department's new mandate which has been changed to reflect a stronger and clearer focus on supporting business development and employment growth in the North.

As exciting as it now is in northern Saskatchewan given current opportunities and our future potential, we must continue to work hard to ensure that future development continues to benefit northerners. Disparities exist between northern Saskatchewan and the rest of the province. Northerners experience higher unemployment and lower incomes compared to other residents. However, opportunities to change these circumstances have never been greater. Our northern young people are a huge asset as we move forward. We need to work together to create opportunities for our young people to complete their education, start businesses and gain meaningful employment.

While we welcome these opportunities, we must continue the work that ensures that development and growth in the North occurs in a manner that is respectful of northern values. Development must be sustainable. Attachment to the land must be respected. We must always consult and work with northerners, especially elders, in making important development decisions. Finally, we must ensure that families across the North benefit from our strong and prosperous economy.

The Department is committed to undertaking the key actions identified in this Performance Plan and will report the Department's progress in the 2007-08 Annual Report to be tabled in July 2008.



Joan Beatty
Minister of Northern Affairs

Who We Are

MANDATE

The mandate of Saskatchewan Northern Affairs (SNA) is to:

- Stimulate and support business and employment development in northern Saskatchewan.
- Promote maximum benefits and opportunities for northerners from northern development.
- Work with northerners and partner agencies to provide leadership and support for regional economic planning and sector development in northern Saskatchewan.
- Advance northern perspectives and interests within government decision-making processes.

PROGRAMS AND SERVICES DELIVERED

NORTHERN DEVELOPMENT FUND (NDF)

This fund stimulates and supports business development in northern Saskatchewan. The fund provides: 1) commercial loans to northern businesses; 2) primary production loans to trappers, commercial fishers, and wild rice growers; 3) grants for marketing, research, organizational development, business skills training, and support to northern youth entrepreneurs; and, 4) grants to support northern Regional Development Corporations (RDCs).

COMMERCIAL FISHING FREIGHT SUBSIDY AND PRICE SUPPORT

SNA provides financial support for the commercial fishing industry in northern Saskatchewan through two components – a freight subsidy and a price support mechanism.

BUSINESS AND CO-OPERATIVE SUPPORT SERVICES

SNA provides business support services to northern entrepreneurs, businesses, co-operatives, community development corporations, and other organizations. These services include identification and evaluation of business opportunities, assisting business plan development, organizational development, management counselling, business skills training and other advisory services. We also assist northern co-operatives in planning and development, establishment of policies, legislative compliance, and key sector strategies.

ENVIRONMENTAL QUALITY COMMITTEE/NORTHERN MINES MONITORING SECRETARIAT

The Environmental Quality Committee (EQC) provides effective northern community participation in monitoring the uranium industry and influencing decision-making within the industry. The EQC also facilitates communications among northerners, industry, and government. Thirty-two communities (municipal and First Nations) are represented on the EQC. The Northern Mines Monitoring Secretariat (NMMS) provides technical support and advice to the EQC. Key service delivery partners are the member federal and provincial government departments and agencies of the NMMS, along with the member communities of the EQC.

MINERAL SURFACE LEASE AGREEMENTS

The Department negotiates and administers surface lease agreements for northern mines. The 13 agreements currently in place address socio-economic benefits, land tenure, environmental protection, and occupational health and safety.

NORTHERN DEVELOPMENT AGREEMENT

The Department plans and leads the delivery of investments under the Northern Development Agreement (NDA) on behalf of the provincial government, in partnership with the federal government and the Northern Development Board Corporation.

The NDA represents the first federal-provincial funding initiative established under the Northern Development Accord. Both the Agreement and Accord were signed in October of 2002. As part of the Agreement, the Province and the federal government (through Western Diversification) are contributing $10 million each over five years in support of capacity building and the development of economic infrastructure in the Northern Administration District.

NORTHERN POLICY PERSPECTIVE AND COMMUNICATIONS

The Department works with other provincial government agencies in ensuring that northern perspectives and interests fully inform government decision making. We also support government in communicating its policies and priorities to northerners.

STRUCTURE AND ORGANIZATION

SNA has a total staff complement of 45 full-time equivalents (FTEs). The Department has two permanent offices (La Ronge and Regina), and two field offices (Creighton, Buffalo Narrows).

Plan at a Glance

The Department has modified its 2006-07 Performance Plan to reflect changes in its mandate. Our new goals and objectives reflect our new mandate. Our goals and objectives will continue to evolve as the strategic planning, performance management and public reporting processes mature.

The goals and objectives are multi-year in nature. The Department will work, over time, to achieve the objectives in support of meeting the broader, long-term goals. For each objective, a series of key actions for the 2007-08 fiscal year outline how progress will be made. In addition, a set of performance measures will be used to gauge progress in achieving the objectives.

The Department values its relationships and dialogue with northern stakeholders. Stakeholder perspectives inform and shape the Department's priorities and direction, as well as broader government policy.

SNA works with a number of partner stakeholders on a regular basis to keep informed of northern interests and developments. Examples of partner stakeholders include: the northern uranium industry and impacted communities; northern communities and First Nations; the Northern Development Board Corporation; the Northern Review Board; Regional Development Corporations; New North; Northern Labour Market Committee; Saskatchewan Co-operative Fisheries Ltd.; Saskatchewan Wild Rice Council; Saskatchewan Northern Trappers Association; syndicated lenders; and, the Northern Human Services Partnership.

A summary of the Department's Performance Plan for 2007-08 follows. SNA will report on results in its 2007-08 Annual Report.

VALUE STATEMENT

Saskatchewan Northern Affairs is a group of people that:

- Work together in a co-operative and collaborative manner.
- Respect and support one another in performing our jobs.
- Respect local wisdom, northern values and traditions.
- Believe in a North that is inclusive; respectful of the interests and aspirations of First Nations, Métis, and non-Aboriginal peoples.
- Work with northerners, stakeholders and other partners to improve client service and maximize our effectiveness.
- Work hard to ensure that each budget dollar is spent wisely and is properly accounted for.

VISION

Northern Saskatchewan is an engine for sustainable economic growth in Saskatchewan. This growth enables young people to live, work and build strong futures in northern Saskatchewan. Northerners and their families benefit from increased business and employment opportunities.

GOAL 1

Vibrant northern businesses

OBJECTIVE 1 – *Northerners can access business financing and business planning services*

OBJECTIVE 2 – *Northern development leads to local business start-ups and expansions*

Performance Measure

- Number of business start-ups
- Number of business expansions
- Number of people employed by businesses

GOAL 2

A skilled and employed northern workforce

OBJECTIVE 1 – *Increase the number of northerners participating in the labour market*

OBJECTIVE 2 – *Maximize employment opportunities for northern residents*

Performance Measure

- Labour market participation rate
- Unemployment rates
- Number of jobs/people employed by sector
- Employment by job classification
- Employment by category in the uranium industry
- Education and training levels attained by northerners living in the North

2007-08 Financial Overview

The Department's budget for 2007-08 is $6.038 million. SNA's budget provides the financial resources necessary to support the key actions included in this Performance Plan.

The following table gives a breakdown of SNA's 2007-08 budget:

2007-08 ESTIMATES	*(in thousands of dollars)*	
Central Management and Services	$	1,865
Regional Operations and Financial Programs		2,865
Policy, Planning and Research		893
Northern Mines Monitoring Secretariat		408
Total Appropriation		6,031
Capital Asset Acquisitions		-
Capital Asset Amortization		7
Total Expense	$	6,038
Revenes	$	313
FTE Staff Complement		45

Trends and Issues

Northern Saskatchewan (or the Northern Administration District) covers approximately half of the province, and is home to 3.6 per cent of the province's population. Of the almost 37,000 residents,[1] 84 per cent are of Aboriginal ancestry. While the region faces many socio-economic challenges, the resource-abundant area is rich in opportunities for future sustainable growth.

This section briefly describes some of the trends, challenges and opportunities that influence the Department's ability to achieve its employment growth and business development goals and objectives in the North.

TRENDS

NORTHERN DEMOGRAPHIC TRENDS

The following chart compares demographics between northern Saskatchewan and the province, as a whole.

Demographics	Northern Saskatchewan	Saskatchewan
Aboriginal population	84%	13%
Population under 25	51%	35%
Labour Force Participation Rate (age 15+)	53%	68%
Employment Rate (age 15+)	41%	64%
Unemployment Rate (age 15+)	24%	6.3%
Less than grade 12 diploma	48.5%	35.2%

Census 2001, Saskatchewan Health Covered Population 2006; Northlands College, The Northern Labour Market Committee, Saskatchewan Advanced Education and Employment, Saskatchewan Learning, Northern Saskatchewan Regional Training Needs Assessment Report, 2006-07, March 2006.

- The population is young and growing, and is expected to increase by 38 per cent over the next 15 years.
- The region has lower employment and participation rates, lower education levels, and higher unemployment rates compared to the province as a whole.
- Over the past 15 years, the job creation rate has kept pace with the growing population; however, the disparity in the employment rate has remained constant over the past 10 years.
- The North has a skill shortage, but not a labour shortage. The challenge is to improve northerners' skills to equip them to join the labour force.

[1] *Saskatchewan Health Covered Population, 2006*

NORTHERN BUSINESS

- Northern companies provide services to northern mines, service the tourism industry, and transport forest products. In addition, as the population increases, demand for retail, business, and personal services grows.
- Statistics Canada's Business Register identifies 794 businesses in northern Saskatchewan as of December 31, 2005. As the north continues to grow the number of businesses may increase, or business size may grow resulting in larger, but fewer, firms.

INDUSTRY TRENDS

- Mining and exploration continue to grow. Strong prices for non-renewable resources found in northern Saskatchewan have resulted in new mining development and unprecedented levels of exploration.
- Northern Saskatchewan has oil and gas potential. World demand for oil and gas and high prices will increase natural gas and oil sands exploration in the North.
- The commercial fishing industry is facing challenges including high fuel costs, lower prices, a weak export market, and low volume catches over the past two years.
- While the traditional resource harvesting sectors, such as wild rice and trapping, are stable, there, is at present, no apparent growth trend in this sector.
- The tourism industry is experiencing moderate growth. The industry has significant potential to expand as infrastructure is developed.
- Substantial adjustments continue to occur in Canada's softwood-dominated forest sector, in response to shifts in global markets.

ISSUES

MINING AND EXPLORATION

- Unprecedented levels of private and public sector investment in northern Saskatchewan present significant opportunities for business and employment growth. To seize opportunities, government can assist northerners as they identify employment and business opportunities, receive training, develop business plans and access financing.

COMMERCIAL FISHING

- The future of the commercial fishery in northern Saskatchewan is, for many reasons, "at risk". Opportunities to stabilize and then grow this sector will be pursued.

TOURISM

- Opportunities to grow the tourism sector exist, but are challenged by limited transportation infrastructure and east-west corridors. SNA will continue to work with Tourism Saskatchewan and stakeholders to develop community destination plans, and coordinate tourism development, marketing, and training.

Changes from 2006-07 Performance Plan

SNA's 2007-08 Performance Plan reflects both the Department's refocused mandate of business and employment development, and the organizational restructuring that began in 2006-07. The Department changed its goals, objectives and performance measures to align with its new mandate.

The intent of the plan is to signal the departmental shift to improve client services, strengthen regional economic planning and sector development capacity, increase corporate capacity to monitor and respond to mineral sector developments, and work with communities and industry to respond to changing circumstances.

Goals, Objectives, Actions and Measures

This section provides detailed information on the Department's 2007-08 Performance Plan. The Plan establishes objectives that support progress toward each goal statement. For each objective, SNA identifies a set of key actions and performance measures to assist tracking progress toward the objective.

GOAL 1

Vibrant northern businesses

OBJECTIVE 1 – *Northerners can access business financing and business planning services*

Businesses provide goods and services to northern residents, service northern industries, create employment, and diversify the economy. The future success of the North will, in large measure, depend on the success and growth of northern businesses. However, many northerners face challenges starting or expanding businesses for a variety of reasons, such as limited access to capital and proximity to business services.

The purpose of this objective is to indicate the importance the Department places on helping northerners access business financing and business planning services so they can start or expand a business and successfully operate business ventures. The Department provides loans and grants to those not able to access conventional funding sources, and provides business consulting and after-care services. SNA also works with other lending agencies on syndicated loans. To continue to improve services to northern clients, SNA is implementing organizational improvements, and is completing reviews of its business programs.

Key Actions for 2007-08

- Provide financial assistance in the form of Northern Development Fund (NDF) loans and grants to northern businesses, individuals, First Nations Bands, and primary producers (fishing, trapping, wild rice) to stimulate business and employment development in the Northern Administration District (NAD).
- Provide business and management consulting advice to potential NDF clients to support their business initiatives and to help them acquire financing.
- Provide proactive "after care service" to NDF loan clients to increase the long-term success of NDF-funded business ventures.
- Create, maintain, and make available an inventory of relevant financial programs and instruments that are available to northern business and employment development interests.
- Improve services to clients by implementing organizational improvements.

- Complete the NDF loan program review and implement regulatory, policy and operational changes to better meet clients' needs and circumstances, thus improving client service.

OBJECTIVE 2 – *Northern development leads to local business start-ups and expansions*

Northern Saskatchewan's economy is strong. The region's natural resources are in demand because of high commodity prices, prompting large-scale developments, increased production, and exploration. The public sector is also investing in the North, with major projects such as the Northern Economic Infrastructure Strategy (NEIS) – a $65.5 million investment to improve transportation infrastructure. This increased private and public investment in the North creates opportunities for northern businesses to develop and expand.

In order to benefit from major developments, northern Saskatchewan businesses need to be aware of the services and products needed, and have the capacity to take advantage of the opportunities. Business development can stimulate economic diversification, and improve the quality of life for northern residents.

SNA will work with its partners in government, industry, community, and business to support business development in the North by sharing information, increasing awareness, and promoting collaborative approaches with northerners.

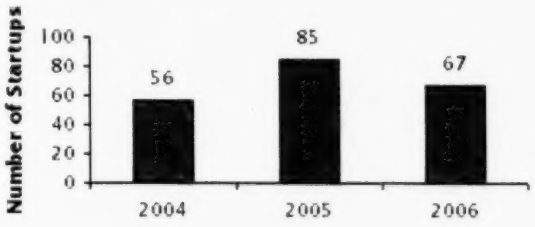
Key Actions for 2007-08

- Update, maintain, and make available a Northern Business Registry.
- Work with the Department of Highways and Transportation and northern stakeholders to maximize local business and employment opportunities associated with the Northern Economic Infrastructure Strategy.
- Work with Saskatchewan Industry and Resources, Saskatchewan Research Council, private industry, northern stakeholders, and other departments to maximize employment and business opportunities associated with the abandoned uranium mines clean-up project, and to support related education/skills development, as required.
- Complete, maintain, and make available a compendium of northern community and regional profiles.
- Complete the Regional Development Corporation Program evaluation, and implement regulatory, policy, and operational changes to enhance local capacity to support business and employment development.

What are we measuring?

Number of business start-ups*

Progress to date



**Saskatchewan Justice, Corporations Branch*

What are we measuring?

Number of business expansions**

Progress to date

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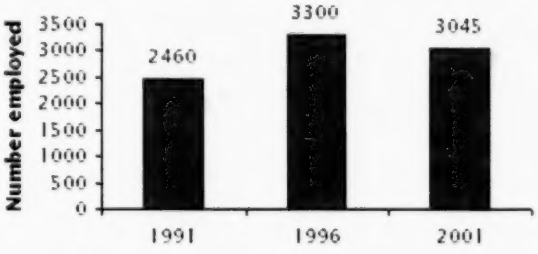
*** SNA*

What are we measuring?

Number of people employed by businesses***

Progress to date



****Census in Northlands College, The Northern Labour Market Committee, Saskatchewan Advanced Education and Employment, Saskatchewan Learning, Northern Saskatchewan Regional Training Needs Assessment Report, 2006-07, March 2006.*

The number of business start-ups and expansions, and the resulting employment, should increase as businesses have access to financing and planning services, and as they benefit from "spin-off" activities from large projects. As northerners' business knowledge increases, and as they are able to access financing, entrepreneurship should increase.

SNA influences the measurement results by providing financing, business advice, and after-care services, and can work with its partners to help maximize spin-off benefits for northern businesses. Industry, other lending agencies, and other provincial departments also influence the results. Other factors that influence the results include economic trends (global, national, and regional) and entrepreneurs' business knowledge. For example, businesses that service the mining or forestry sectors are dependent on trends within those sectors.

GOAL 2

A Skilled and employed northern workforce

OBJECTIVE 1 – *Increase the number of northerners participating in the labour market*

Northern Saskatchewan's employment rates and education levels currently lag behind provincial averages, while at the same time the region is experiencing a labour shortage. The purpose of this objective is to indicate departmental support to increased northerner involvement in the labour market. Working with northern stakeholders, industry, and the Northern Labour Market Committee, the provincial government can identify employment opportunities and help northerners get training to qualify for jobs. Increased labour market participation will lead to an improved quality of life.

Key Actions for 2007-08

- Work with colleague departments, industry and stakeholders to examine employment growth opportunities in key industry sectors.
- Work with the federal government, the Northern Development Board and colleague departments to negotiate a new tripartite Northern Development Agreement.

OBJECTIVE 2 – *Maximize employment opportunities for northern residents*

Employment opportunities in northern Saskatchewan are expected to grow in the short- to medium-term. The *Northern Saskatchewan Regional Training Needs Assessment Report 2006-07* anticipates above average employment growth in mining, oil and gas, and transportation, and average growth in construction. The employment growth is attributed to increased attention to northern Saskatchewan's natural resource sector, increased exploration and major projects.

This objective shows how the Department enables local residents to benefit from developments that take place in the North, and to maximize the number of employment opportunities available for northern residents.

Key Actions for 2007-08

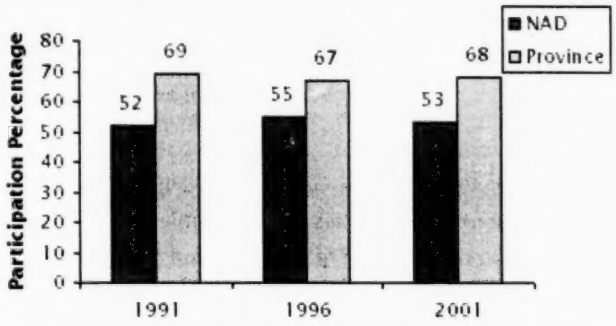
- Negotiate and administer northern mineral surface lease agreements with industry to: 1) support northern benefits associated with the development of northern mines; 2) continue effective, efficient and co-ordinated government support for future development of the northern mineral sector; and, 3) reinforce provincial regulatory control in the areas of environmental protection and occupational health and safety of workers.
- Work with our partners to implement the Primrose Lake Community Economic Development Fund, and continue to support the establishment of the Primrose Lake Economic Development Corporation.
- Publish the Northern Saskatchewan Environmental Quality Committee (NSEQC) News insert in the business periodical, *Opportunity North*, to increase northerners' awareness of the uranium sector (operating requirements, challenges, future outlook).

- Support the EQC by: 1) co-ordinating and facilitating public consultations on proposed uranium mining developments and project operating approvals; and, 2) arranging EQC information sessions to increase their understanding of the continually-evolving uranium mining requirements.

What are we measuring?

Labour market participation rate*

Progress to date

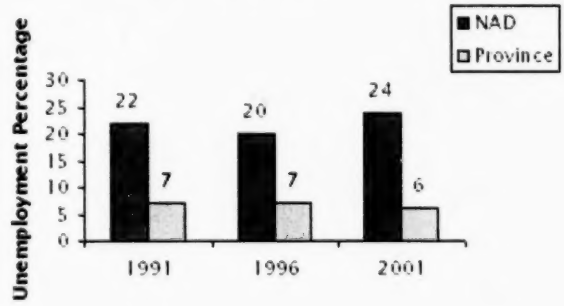


**Census in Northlands College, The Northern Labour Market Committee, Saskatchewan Learning, Northern Saskatchewan Regional Training Needs Assessment Report 2005-2006. June 2005.*

What are we measuring?

Unemployment rates*

Progress to date



**IBID*

The labour market participation rate is the total labour force expressed as a percentage of the population 15 years of age and over. The unemployment rate is the unemployed, expressed as a percentage of the labour force. As more northerners participate in the labour market, the participation rate should increase, and unemployment should decrease.

SNA works collaboratively with other provincial departments, industry and northern partners to influence this measure by: 1) creating an environment for economic growth; 2) developing northern economic sectors; and, 3) helping northerners identify and qualify for job opportunities.

What are we measuring? **Progress to date**

Number of jobs/people employed by sector

Mineral Sector - Mining	> 1,600
Forestry Sector	6,000 (province)
Construction and Trades Sector	600
Commercial Services Sector	3,045
Public and Non-Commercial Services Sector	4,400

Northlands College, The Northern Labour Market Committee, Saskatchewan Advanced Education and Employment, Saskatchewan Learning, Northern Saskatchewan Regional Training Needs Assessment Report, 2006-07, March 2006.

These measures show the number of individuals employed in northern sectors, and can help assess if employment opportunities are accessible to northerners. The information is taken from the *Northern Saskatchewan Regional Training Needs Assessment Report 2006-07.*

Economic and industry trends influence this objective the most. The Department can work with industry, other provincial departments and northern stakeholders to enable northerners to take advantage of employment opportunities; however, these outcomes will also be driven by national and international markets.

What are we measuring? **Progress to date**

Employment by job classification

	Census 1996	Census 2001
Management occupations	670	810
Business, finance and administration occupations	1,055	1,045
Natural and applied sciences occupations	305	330
Health occupations	295	335
Social science, education, and government service	1,275	1,665
Sales, service and recreation occupations	2,765	2,580
Trades, transport and equipment operator occupations	1,815	1,635
Primary industry (mining, forestry, oil) occupations	1,195	925
Processing, manufacturing and utilities occupations	370	445

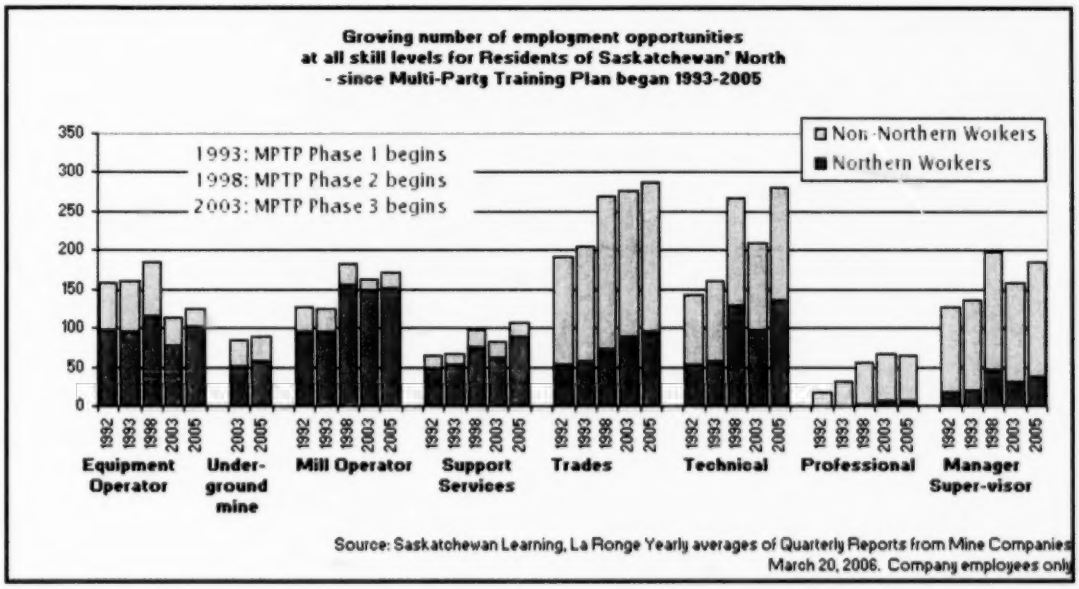
Census 1996, 2001

This performance measure shows the northern workforce by current occupation, with occupational categories taken from Statistics Canada. By measuring job classification, it is possible to gauge where employment growth is taking place, particularly in key economic sectors. Since this measure can only be updated every five years, the measure monitors long-term trends.

As already noted, market trends (global, national, regional) are the key drivers that will influence these outcomes. SNA does have minimal influence through its involvement on the Northern Labour Market Committee, and working with industry, provincial departments, and northern communities, to help create an environment that supports employment growth.

What are we measuring? **Progress to date**

Employment by category in the uranium industry



This performance measure shows the number of northerners and non-northerners who work in the uranium mining industry for a number of skill categories. This measure helps assess trends within occupational categories and demonstrates the success of the Multi-Party Training Plan, (a co-operative training-to-employment initiative for the mineral sector). SNA will continue to pursue ways to work with others to track similar information for other sectors.

SNA can influence this measure by working alongside provincial departments, industry, northern partners, and the Northern Labour Market Committee to help identify jobs, training, and work experience opportunities for northerners.

What are we measuring? **Progress to date**

Education and training levels attained by northerners living in the North

	Census 1996	Census 2001
Less than a high school graduation certificate	58.2%	48.5%
High school graduation certificate and/or some post-secondary	17.2%	18.7%
Trades or post-secondary education certificate/ diploma, or university degree	24.6%	32.8%

Census 2001, 1996

As education levels increase, northerners will be better positioned to qualify and compete for jobs. This will contribute to increased labour market participation, and maximize employment opportunities.

SNA can contribute to the results by participating on the Northern Labour Market Committee, and can work with provincial departments to identify ways to help northerners receive training to qualify for jobs. In addition to increased education opportunities, the department's employment objectives can be advanced by assisting northerners in increasing their workplace experience. Departments and organizations with an education and training mandate also have influence over these outcomes.

For More Information

If you would like further information about Saskatchewan Northern Affairs, or would like to ask questions or provide comments on the Performance Plan, please contact:

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For further information relating to the Department's programs, please visit us online at:

www.northern.gov.sk.ca